

# ENVIRONMENTAL PROTECTION



Environmental protection and environmental safety issues are a subject of special attention for the Company. Rosseti Kuban, PJSC uses the most promising technologies aimed at reducing environmental impact in its operations, implements innovations, energy-efficient and energy-saving technologies in compliance with environmental protection requirements, and minimises environmental impact. The Company has all necessary mechanisms to prevent environmental risks.

In 2024, the Company will finalise its campaign to comply with the Stockholm Convention on Persistent Organic Pollutants, along with the cessation of polychlorinated biphenyls in equipment.

Preservation of biodiversity and ensuring ornithological safety are achieved by installing bird diverters and constructing/reconstructing overhead lines featuring self-supporting insulated wires.

**VLADIMIR MIKHAILOV**  
Deputy General Director for Technical Issues — Chief Engineer

The Environmental Policy of the Company sets forth the goals to decrease the negative impact on the environmental compartments and support environmental safety at power grid facilities, upgrade equipment and employ innovative and eco-friendly technologies during renovation, retrofitting and construction of power grids, as well as the rational use of natural resources.

In 2024, the decommissioning of equipment containing trichlorinated biphenyl will be completed in order to stop using polychlorinated biphenyls in equipment and replace it with environmentally safer equipment, which demonstrates the Company's compliance with the Stockholm Convention on Persistent Organic Pollutants ratified by Federal Law No. 164-FZ dated 27 June 2011.

Since the start of the campaign of phased decommissioning of equipment containing persistent organic pollutants with toxic properties, the Company has dismantled 9,144 units of condensers containing trichlorodiphenyl and ensured environmental safety by transferring 412.59 tonnes of waste from those condensers, which is classified as extremely hazardous waste of Class 1, to specialised organisations for deactivation.

Under the contract concluded with the Federal Environmental Operator, 932 units of condensers with trichlorodiphenyl (44.80 tonnes of waste) were prepared for transfer for treatment in 2023. In addition, 731 units of condensers with trichlorodiphenyl (34.26 tonnes of waste), which were dismantled in 2022, were transferred for treatment.

**9,144**  
condensers

containing trichlorodiphenyl dismantled since the start of the phased campaign for equipment containing persistent organic pollutants with toxic properties

**412.59** tonnes

of hazardous waste transferred for treatment

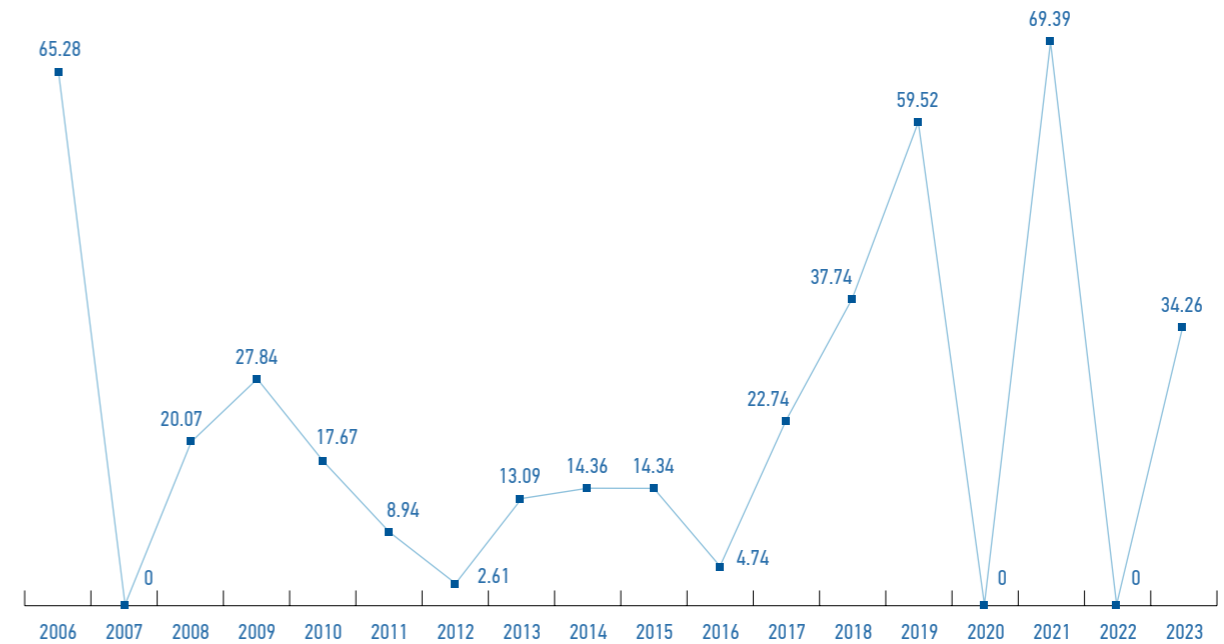
By transmitting the most highly efficient and environmentally friendly type of energy — electricity — to consumers, Rosseti Kuban, PJSC has a negative impact on the components of the natural environment: soil, atmospheric air, surface and underground water, subsoil, flora and fauna, and other organisms.

A total of 69 facilities of Rosseti Kuban, PJSC were registered with the state authorities. The facilities are classified as those with insignificant negative environmental impact and assigned to Category III.

## Changes in the Company's environmental indicators over 2021–2023

Indicators	2021	2022	2023	Change 2023/2022, %
Gross pollutant emissions into the air, total, t	64.67	35.04	34.77	- 0.8%
Volume of water consumption, thousand m <sup>3</sup>	69.89	68.86	62.53	- 9.2%
Volume of waste generated, t	2,711.11	2,696.79	3,498.60	+ 29.7%
Volume of waste transferred for disposal and treatment, t	531.57	411.21	858.61	+108.8%
Payments for adverse environmental effects, RUB '000	170.77	218.58	220.56	+0.9%
Provision of power grid facilities with bird diverters, pcs.	4,217	2,977	2,350	-21.1%

## Quantity of waste containing trichlorodiphenyl transferred for treatment (t)



In relation to the 2023 indicators, the gross emission of pollutants into the atmospheric air remained at the level of 2022 (a slight decrease of 1%), and the values of actual emissions did not exceed the maximum permissible concentrations of pollutants. The main sources of atmospheric air pollution are the operation and maintenance (repair) of vehicles, diesel power plants, machine tools (milling, drilling, turning, and sharpening), septic tanks, as well as welding and painting works, chemical analyses of transformer oils, and storage of transformer and motor vehicle oils.

The Company keeps records of direct greenhouse gas emissions, which amount to less than 150,000 tonnes of carbon dioxide per year. Thus, Rosseti Kuban, PJSC does not belong to organisations regulated by Russian legislation on limiting greenhouse gas emissions.

Water consumption is organised using centralised water supply systems and groundwater sources (water intake wells). The Company has entered into contracts with guaranteeing organisations for water supply and disposal. The volume of water consumption and, accordingly, wastewater disposal decreased by 9% in view of a reduced demand for household needs in administrative buildings.

In 2023, there was a 30% increase in the amount of hazard class I and V waste generated compared to 2022 due to the following:

- Decommissioning of condensers containing trichlorodiphenyl in 2022 and their switching to waste status in 2023
- More renovation works at the facilities associated with the generation of scrap reinforced concrete products and scrap aluminium electrical products,

as well as scrap metal associated with the decommissioning of vehicles no longer fit for service

Waste generated by the Company in the course of its production activities is subject to accumulation at production sites for a period not exceeding 11 months, with subsequent provision for its transfer to specialised organisations.

Waste generated is managed in the following way:

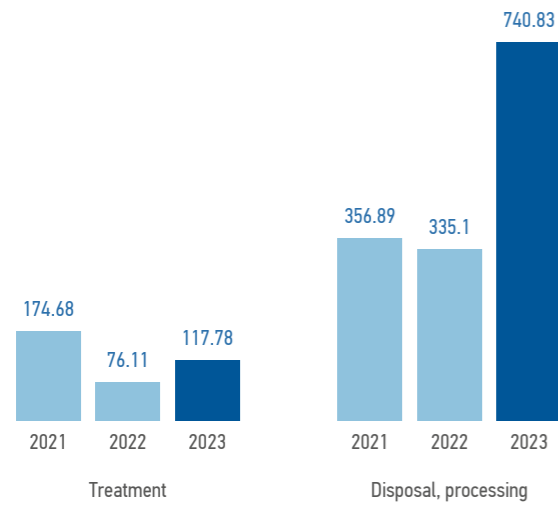
- an internal instruction on production and consumption waste management at Rosseti Kuban, PJSC has been issued and is in force
- Waste accumulation locations (sites) have been arranged in accordance with the legislative requirements of the Russian Federation in the field of waste management
- Selective accumulation of waste by type and hazard class is established

- Waste generation and movement are recorded in accordance with Order of the Ministry of Natural Resources and Environment of the Russian Federation No. 1028 dated 8 December 2020
- The personnel is informed about the rules of production waste management

- timely removal of hazard classes I–V wastes from industrial sites and their transfer to specialised organisations for further treatment, recycling, deactivation and/or disposal.

Guided by the basic principles and priority areas of the state waste management policy, Rosseti Kuban, PJSC transferred 99% more waste to specialised organisations for deactivation, recycling, and treatment in 2023 than in 2022.

Waste transferred to specialised organisations (total) (t)



Payments for negative environmental impact are made in due time and in full for the following types of impact:

- Emissions of pollutants into the atmospheric air from stationary sources
- Discharges of pollutants into water bodies
- Storage and landfill of industrial waste (waste disposal)

The total fee in 2023 (RUB 220,560) remained at the level of 2022 (RUB 218,580).

In 2023, there were no inspections of the Company by the federal environmental supervision authorities, and no claims were made regarding the Company's non-compliance with the requirements of environmental and sanitary-epidemiological legislation.

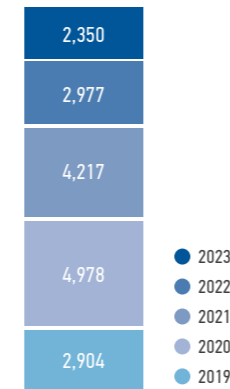
Planning and implementation of environmental protection measures complied with the Environmental Policy of Rosseti Kuban and the obligations to apply the most advanced technical solutions that eliminate the impact of harmful substances on the environment, to prevent environmental risks, and to improve the environmental management system.

To prevent the risk of bird deaths, 35–110 kV overhead lines are equipped with special bird diverters.

In the reporting period, the following measures aimed at reducing the negative environmental impact were implemented:

- 2,350 bird diverters were installed on 35–110 kV overhead lines and 896.19 km of overhead lines were constructed/reconstructed using self-supporting insulated wires to preserve biodiversity and ensure ornithological safety
- 82 oil-filled bushings were replaced with solid-insulated bushings to protect wildlife
- Emergency oil discharge systems and transformer oil receivers at 26 substations were repaired (renovated) to prevent potential environmental contamination
- Six tonnes of transformer oil, after treatment (regeneration), were reused to reduce the use of natural resources

Provision of power grid facilities with bird diverters (pcs.)



2,350 bird diverters

were installed on power grid facilities

896.2 km

of power transmission line were installed with self-supporting insulated wire

82

oil-filled bushings were replaced with solid-insulated bushings

26 substations

Emergency oil drainage systems were repaired

The Company's managers and specialists in the field of environmental protection and ecological safety responsible for decision-making when carrying out activities that have or may have a negative impact on the environment passed the necessary training, which is confirmed by relevant documents. Retraining and training of

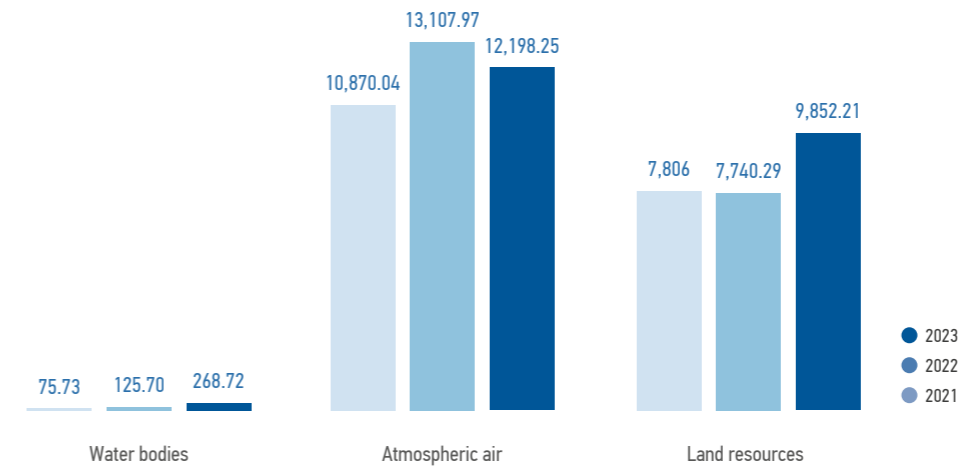
newly hired personnel are carried out on a scheduled basis in specialised training institutions.

In 2023, five employees of Rosseti Kuban, PJSC were trained under the programme "Environmental Protection and Ensuring Ecological Safety at a Facility".

22.3 RUB mln

Company's environmental protection costs in 2023

Current environmental protection costs (RUB '000)



There were no significant changes in current environmental protection costs in 2023 compared to 2022.

The Company keeps its voluntary environmental responsibility mechanisms up to date. Rosseti Kuban's environmental management system has been put in place, assessed and certified as meeting the requirements of ISO 14001 international standard, Environmental Management System, since March 2009. In order to assess the compliance of subdivisions' activities with the Environmental Policy

of Rosseti Kuban, PJSC, legislative requirements and internal regulations, and to identify opportunities for improving the Environmental Management System, the Company's auditors conduct a two-stage internal environmental audit. The audit is conducted by the auditors of the Executive Office with visits to all branches of the Company throughout a year, as well as by the auditors of the branch with visits to the subdivisions of the branch.

All auditors (16 specialists) of the company were trained on the course: Internal Auditor of Environmental Management System per ISO 14001:2015.

In 2023, the supervisory audit of Rosseti Kuban, PJSC conducted by Russian Certification Technologies, LLC did not reveal any non-compliances with the requirements of the international standard ISO 14001:2015 Environmental Management System.